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UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Edith Ramirez, Chairwoman**
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright
Terrell McSweeny

In the Matter of	
HOLCIM LTD., a public limited company;	**Docket No. C-4519**
and	
LAFARGE S.A., a corporation.	

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act ("FTC Act"), and its authority thereunder, the Federal Trade Commission ("Commission"), having reason to believe that Respondent Holcim Ltd. ("Holcim"), a company subject to the jurisdiction of the Commission, has agreed to acquire Lafarge S.A. ("Lafarge"), a corporation subject to the jurisdiction of the Commission, in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, that such acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. RESPONDENTS

1. Respondent Holcim is a public limited company registered in Switzerland, with its office and principal place of business located at Zürcherstrasse 156, Jona, 8645 Canton of St. Gallen, Switzerland. Holcim's principal U.S. subsidiary, Holcim (US) Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its U.S. headquarters and principal place of business located at 24 Crosby Drive, Bedford, MA 01730.

2. Respondent Lafarge is a *société anonyme* organized, existing, and doing business under and by virtue of the laws of France, with its office and principal place of business located at 61 rue des Belles Feuilles, Paris, France. Lafarge's principal U.S. subsidiary, Lafarge North America Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Maryland, with its U.S. headquarters and principal place of business located at 8700 W. Bryn Mawr Avenue, Suite 300 S, Chicago, IL 60631.

3. Each Respondent is, and at all times relevant herein has been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act as amended, 15 U.S.C. § 12, and is a company whose business is in or affects commerce, as "commerce" is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

II. THE PROPOSED ACQUISITION

4. Pursuant to a Business Combination Agreement dated July 7, 2014 ("Agreement"), Holcim proposes to make a public exchange offer in accordance with the provisions of French laws to acquire all of the issued and outstanding shares of Lafarge in exchange for Holcim shares valued, at the time of entering into the agreement, at approximately $25 billion (the "Acquisition"). The Acquisition is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

III. THE RELEVANT MARKETS

5. For the purposes of this Complaint, the relevant lines of commerce in which to analyze the effects of the Acquisition are the manufacture, import, and sale of:

a. portland cement, including but not limited to, blended cement, masonry cement, mortar, and clinker; and

b. ground granulated blast furnace slag ("slag cement").

6. Portland cement is the essential binding ingredient in concrete. A fine, usually gray powder, portland cement is a chemical combination of calcium, silicon, aluminum, iron, and small amounts of other ingredients. Users mix portland cement with water and aggregates (crushed stone, sand, or gravel) to form concrete, a fundamental building material that is widely used in residential, non-residential, and public infrastructure construction projects.

7. Slag cement is manufactured by grinding granulated blast furnace slag to a suitable fineness. Slag cement is usually used to replace a portion of portland cement in a concrete mixture. Blending or inter-grinding slag cement with portland cement within specified limits can improve the characteristics of the concrete for use in certain environments or construction applications.

8. For the purposes of this Complaint, the relevant geographic areas in which to analyze the effects of the Acquisition on the portland cement market are:

a. Minneapolis-St. Paul, MN and surrounding areas;

b. Duluth, MN and surrounding areas;

c. Western Wisconsin;

d. Eastern Iowa;

e. Memphis, TN and surrounding areas;

f. Baton Rouge, LA and surrounding areas;

g. New Orleans, LA and surrounding areas;

h. Detroit, MI and surrounding areas;

i. Grand Rapids, MI and surrounding areas;

j. Northern Michigan;

k. Western Montana; and

l. Boston, MA/Providence, RI and surrounding areas.

9. For the purposes of this Complaint, the relevant geographic areas in which to analyze the effects of the Acquisition on the slag cement market are:

a. the Mid-Atlantic Region, which consists of the states of Maryland, Delaware, New Jersey, Massachusetts, Connecticut, and Rhode Island, as well as the District of Columbia, Eastern New York, Eastern and Central Pennsylvania, and Northern Virginia; and

b. the Western Great Lakes Region, which consists of the states of Michigan, Indiana, Illinois, Iowa, Wisconsin, and Minnesota.

IV. THE STRUCTURE OF THE MARKETS

10. Respondents Holcim and Lafarge are significant participants in each of the relevant markets, and each relevant market is already highly concentrated. The Acquisition would further increase concentration levels, resulting in the merged company becoming the largest supplier of portland cement and slag cement in each relevant market. Holcim and Lafarge are either the only two significant suppliers or two of, at most, four significant suppliers in each of the relevant markets.

V. ENTRY CONDITIONS

11. New entry into the relevant markets would not be timely, likely, or sufficient in magnitude, character, and scope to deter or counteract the anticompetitive effects of the Acquisition. Building a new plant or distribution terminal of sufficient scale requires significant sunk costs and is challenging because of the extensive permitting that is required. Because of the various obstacles that must be overcome, it would take over two years for an entrant to accomplish the steps required for entry and achieve a significant market impact.

VI. EFFECTS OF THE ACQUISITION

12. The effects of the Acquisition, if consummated, may be to substantially lessen competition or to tend to create a monopoly in the relevant markets in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, by eliminating actual, direct, and substantial competition between Respondents Holcim and Lafarge and reducing the number of significant competitors in each relevant market; thereby increasing the likelihood that:

a. the merged company would unilaterally exercise market power in the relevant markets;

b. the remaining firms in the relevant markets would engage in collusion or coordinated interaction between or among each other; and

c. consumers would be forced to pay higher prices or accept reduced service.

VII. VIOLATIONS CHARGED

13. The Agreement described in Paragraph 4 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

14. The Acquisition described in Paragraph 4, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this fourth day of May, 2015, issues its Complaint against said Respondents.

By the Commission, Commissioner Wright dissenting.

Donald S. Clark
Secretary

SEAL: