

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

_____)	
In the Matter of)	
)	
HOLCIM LTD.,)	Docket No. C-4519
a public limited company;)	
)	File No. 141 0129
and)	
)	
LAFARGE S.A.,)	
a corporation.)	
_____)	

APPLICATION FOR APPROVAL OF PROPOSED DIVESTITURE

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TABLE OF CONTENTS

	Page
1. Introduction	1
2. The Assets to Be Divested.....	1
3. Divestiture to CRH is Consistent with the Requirements of the Decision and Order.....	2
4. CRH Is a Qualified and Viable Purchaser, Capable of Effectively Operating.....	5
5. Request for Confidential Treatment	6
6. Conclusion.....	8

1. Introduction

Pursuant to Section 2.41(f) of the Federal Trade Commission's (the "Commission") Rules of Practice and Procedure¹ and Paragraph II of the Decision and Order (the "Order") in *Holcim Ltd. and Lafarge S.A.*, Holcim Ltd. ("Holcim" or "Respondent") requests the Commission approve the divestiture of the "Canada/Great Lakes Assets" and the "Trident Assets" (as defined below) to an affiliate of CRH International ("CRH"). The divestiture will "ensure the continuation of the [Canada/Great Lakes Assets and the Trident Assets] as ongoing, viable facilities engaged in the Cement" supply business. CRH is a qualified and viable purchaser of the Canada/Great Lakes Assets and the Trident Assets; it employs approx. 76,000 people in 33 countries and is a highly regarded owner and operator of cement producing assets in Ireland, Estonia, Finland, Poland, Spain, Switzerland, Ukraine, India, China, and the United States (through a joint venture in Florida). Divestiture of the Canada/Great Lakes Assets and the Trident Assets to CRH, if approved, will fulfill the purpose of the Order.

2. The Assets to Be Divested

On April 7, 2014, Holcim agreed to acquire Lafarge, S.A. ("Lafarge") through merger.² On May 4, 2015, the Commission issued a proposed Decision and Order ("Order") requiring Holcim to divest the Canada/Great Lakes Assets and the Trident Assets "absolutely and in good faith . . . to one or more Acquirers that receives the prior approval of the Commission, and in a manner that receives the prior approval of the Commission."³ The public comment period for the Order closes on June 4, 2015.

¹ 16 C.F.R. § 2.41(f)

² *A merger of equals to create LafargeHolcim, the most advanced group in the building materials industry.* (April 7, 2014), available at <http://www.holcim.com/media-relations/latest-releases.html>.

³ Decision and Order, ¶II.A.5, *Holcim Ltd. and Lafarge S.A.*, Docket No. C-4519, May 4, 2015.

The Canada/Great Lakes Assets⁴ include the businesses and facilities, or portions thereof (but excluding in each case the Excluded Assets)⁵ of the Plant Assets relating to Holcim's Mississauga Cement plant and the Terminal Assets relating to Holcim's Buffalo, Cleveland, Detroit, Duluth and Dundee terminals.⁶ The Trident Assets⁷ include the businesses and facilities, or portions thereof (but excluding in each case the Excluded Assets)⁸ of the Plant Assets relating to Holcim's Trident Cement plant and the Terminal Assets relating to Holcim's Edmonton and Lethbridge terminals.⁹

3. Divestiture to CRH is Consistent with the Requirements of the Decision and Order

The Canada/Great Lakes Assets and the Trident Assets will be divested to CRH pursuant to an executed Share Purchase Agreement ("SPA-1") dated January 31, 2015, and which became binding on May 26, 2015, by and among Holcim Ltd., Lafarge S.A. ("Lafarge"), CRH International, CRH Fünfte Vermögensverwaltungs GmbH and CRH plc, which shall be amended and restated ("SPA-2"), and an Asset Purchase Agreement ("APA"),¹⁰ by and among Holcim Ltd., CRH International, Holcim (US) Inc. and Oldcastle Materials Cement Holdings, Inc.¹¹ SPA-2 will govern the entire transaction among Holcim, Lafarge and CRH, which encompasses the sale by Holcim and Lafarge to CRH of businesses and assets in Brazil, Canada, France, Germany, Hungary, La Reunion, Romania, Serbia, Slovakia, the United Kingdom, and the

⁴ Defined at ¶I.L, Decision and Order.

⁵ The assets are more thoroughly described in ¶¶I.G and I.L, Decision and Order.

⁶ Defined at ¶¶I.G and I.L, Decision and Order.

⁷ Defined at ¶I.QQ, Decision and Order.

⁸ The assets are more thoroughly described in ¶¶I.G and I.QQ, Decision and Order.

⁹ Defined at ¶¶I.G and I.QQ, Decision and Order.

¹⁰ SPA-1, SPA-2 and the APA are attached as Exhibit One. Confidential treatment is requested for SPA-1, SPA-2 and the APA.

¹¹ CRH Fünfte Vermögensverwaltungs GmbH, CRH plc and Oldcastle Materials Cement Holdings, Inc. are controlled by CRH. Holcim (US) Inc. is controlled by Holcim. Lafarge S.A. is a party to the SPA-1 and SPA-2 because certain Lafarge assets outside the United States and Canada are being divested to CRH.

United States, including the Canada/Great Lakes Assets and the Trident Assets. The APA specifically defines the Plant Assets relating to Holcim's Trident Cement plant and the Terminal Assets relating to Holcim's Buffalo, Cleveland, Detroit, Duluth and Dundee terminals.¹² Holcim, Lafarge and CRH have executed SPA-1 which is binding on the parties, and the key commercial terms of the transaction are agreed and settled among the parties. SPA-1 is binding on the parties and requires Holcim to transfer the Canada/Great Lakes Assets and the Trident Assets to CRH. SPA-2 reflects further negotiation of the commercial and transactional terms of the transaction among the parties. SPA-2 is near final and will be provided in final form for Commission review in advance of any approval of this application.¹³ The transactional terms of SPA-2 related to the Canada/Great Lakes Assets and the Trident Assets are settled and will not change (except as may be required by the Commission). Holcim and CRH have agreed on the APA and the terms of the APA are settled and will not change (except as may be required by the Commission). In any event, the Canada/Great Lakes Assets and the Trident Assets that are subject to the Consent Order will be conveyed at closing pursuant to SPA-1 regardless of whether the APA and SPA-2 are executed.

¹² APA, Section 1.1.
¹³

Confidential Treatment is requested for information on these agreements contained in this paragraph.

Holcim owns and operates¹⁴ the Canada/Great Lakes Assets and the Trident Assets and their related businesses, including the Cement plant that produces, stores, distributes and sells Cement and related products, located in Mississauga, Ontario, and the Terminals that store, distribute and sell Cement and related products, located in Buffalo, New York, Cleveland, Ohio, Detroit, Michigan, Duluth, Minnesota, and Dundee, Michigan (together the “Canada/Great Lakes Assets”); and the Cement plant that produces, stores, distributes and sells Cement and related products located in Three Forks, Montana (Trident), and the Terminals that store, distribute and sell Cement and related products, located in Edmonton, Alberta, and Coalhurst, Alberta (Lethbridge) (together the “Trident Assets”). With the exception of certain excluded assets described at Sections 3.2 and 3.8 and Schedule 3.2 of the APA, all tangible and intangible assets of the Canada/Great Lakes Assets and the Trident Assets will be acquired by CRH, as required by the Decision and Order.

Holcim will divest the Canada/Great Lakes Assets and the Trident Assets as “ongoing, viable facilities.” Holcim is subject to customary and usual covenants related to operating the Canada/Great Lakes Assets and the Trident Assets prior to consummation of their divestiture to CRH.¹⁵

Holcim will be obligated to (i) use reasonable endeavors to obtain all necessary competition approvals as soon as reasonably practicable including approval by the Commission, (ii) use reasonable efforts to overcome any obstacle to the granting of all necessary competition approvals and carry out any appropriate measure in order to procure that the necessary

¹⁴ Holcim owns and operates the Canada/Great Lakes Assets and the Trident Assets (and related businesses) subject to the restrictions of the Order to Hold Separate and Maintain Assets.

¹⁵ SPA-2 at Section 6.1 and APA at Section 6.9, consistent with ¶ II.F, Decision and Order.

competition approvals are obtained,¹⁶ and (iii) obtain the consent of the counterparties to certain assigned contracts to assign such contracts to CRH.¹⁷ Holcim will not have a continuing interest in the Canada/Great Lakes Assets or the Trident Assets, nor will Holcim have a financial stake in the Canada/Great Lakes Assets or the Trident Assets upon their divestiture to CRH.

Consistent with the requirements of the Decision and Order,¹⁸ at closing Holcim, Lafarge and CRH will also enter into a Transition Services Agreement, including with respect to the Canada/Great Lakes Assets and the Trident Assets. The term of the Transition Services Agreement will be eighteen months.

The Transition Services Term Sheet has been agreed among the parties; the Schedules to the Transition Services Term Sheet describe the specific transition services to be provided to CRH with respect to the Canada/Great Lakes Assets and the Trident Assets and the terms under which those services are to be provided.¹⁹

Holcim believes the scope of services it will be obligated to provide is consistent with the services required by CRH during the first eighteen months of its ownership and operation of the Canada/Great Lakes Assets and the Trident Assets.

4. CRH Is a Qualified and Viable Purchaser, Capable of Effectively Operating

CRH is an independent leading global building materials group employing approximately 76,000 people at over 3,300 locations worldwide. For over four decades, CRH has developed and implemented a proven model of business improvement. By building better businesses across its international operations, CRH have grown to be a leader in the global building materials

¹⁶ SPA-2 at Section 5.4.

¹⁷ APA at Section 3.6 and Schedule 8.2(b), consistent with ¶ I.E, Decision and Order.

¹⁸ ¶ I.D, Decision and Order.

¹⁹ The Transition Services Term Sheet and Schedules are attached as Exhibit Two. Confidential treatment is requested for the Transition Services Term Sheet and Schedules.

industry, including in North America. CRH provides building materials across the spectrum of the construction industry – from building foundations to frame and roofing, to fitting out the interior space and improving the exterior environment, on site works and infrastructural projects. Currently CRH successfully operates a cement production facility in North America (through a joint venture in Sumterville, Florida). CRH is also a North American supplier of aggregates, asphalt, ready mix concrete, and building materials and operates approximately 10 cement plants outside North America.

CRH has the financial resources necessary to operate effectively the Canada/Great Lakes Assets and the Trident Assets. CRH's 2014 net revenue exceeded \$20.7 billion; its net revenue for 2013 was approximately \$19.7 billion.

A list of CRH's senior officers and members of its board of directors and their background information is provided at Exhibit Three.

CRH is well positioned and financially capable of operating the Canada/Great Lakes Assets and the Trident Assets. Through its acquisition of the Canada/Great Lakes Assets and the Trident Assets from Holcim, CRH will be in a position to compete and supply customers in the catchment areas of these assets. CRH is currently not manufacturing and selling cement in North America outside of Florida, and would be a new competitor in those regions.

For additional information about CRH, please contact R. Kirk Randolph, Executive Vice President Strategy & Development.²⁰

5. Request for Confidential Treatment

This application (including the exhibits) contains confidential and competitively sensitive information relating to the divestiture of the Canada/Great Lakes Assets and the Trident Assets.

²⁰ Mr. Randolph's telephone number will be provided under separate cover to the Compliance Division.

Pursuant to Section 4.2(d)(4) of the Commission's Rules of Practice and Procedure, 16 C.F.R. § 4.2(d)(4), Holcim is submitting two versions of this Application. The confidential version contains nonpublic or commercially or competitively sensitive information. The public version redacts confidential information. Pursuant to Sections 6(f) and 21(c) of the Federal Trade Commission Act, 15 U.S.C. §§ 46(f) and 57b-2(c), and Sections 2.41(f)(4), 4.9(c) and 4.10(a)(2) of the Commission's Rules of Practice and Procedure, 16 C.F.R. §§ 2.41(f)(4), 4.9(c) and 4.10(a)(2), Holcim requests that all nonpublic or commercially or competitively sensitive information contained in the Application be treated by the Commission as strictly confidential and not be made available to the public. The disclosure of such information may prejudice Holcim and CRH. If the Commission cannot treat this application as confidential, Holcim requests that the Commission inform Holcim immediately, to provide Holcim an opportunity to seek appropriate relief.

6. Conclusion

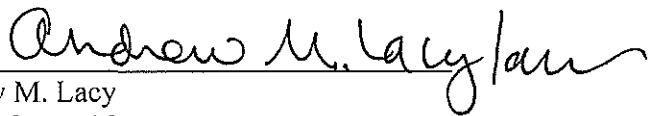
Because the proposed divestiture is pro-competitive, in the public interest and addresses the competitive concerns raised in the Order, and for the additional reasons set forth above, Holcim requests that the Commission approve the proposed divestiture.

Holcim desires to complete the proposed divestiture of the Canada/Great Lakes Assets and the Trident Assets as soon as possible. Prompt consummation will further the purposes of the Order, and is in the interests of the Commission, the public, CRH and Holcim. Accordingly, Holcim requests that the Commission promptly commence the public comment period pursuant to Section 2.41(f) of the Commission's Rules, 16 C.F.R. § 2.41(f) (2014), limit the comment period to the customary 30 days, and approve this application for divestiture as soon as practicable after the close of the public comment period.

Dated: June 3, 2015

Respectfully submitted,

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