Department of Justice

JUSTICE DEPARTMENT REQUIRES DIVESTITURE
IN SAPA'S ACQUISITION OF INDALEX

Divestiture of Aluminum Sheathing Business in North Carolina Will Preserve Competition

WASHINGTON — The Department of Justice announced today that it has reached a settlement that will require Sapa Holding AB and Indalex Holdings Finance Inc. to divest a North Carolina aluminum sheathing facility in order to proceed with Sapa's proposed $150 million acquisition of Indalex. The Department said that the transaction, as originally proposed, would substantially lessen competition for the manufacture and sale of aluminum sheathing (coiled extruded aluminum tubing) used in the manufacture of high frequency coaxial cable in the United States, resulting in increased prices and reduced quality, service and innovation.

The Department said that the companies must divest either Sapa's Catawba, N.C. aluminum sheathing manufacturing plant or Indalex's aluminum sheathing facility at its Burlington, N.C., plant in order to proceed with the deal.

The Department's Antitrust Division filed a civil antitrust lawsuit today in U.S. District Court in Washington, D.C., to block the proposed transaction. At the same time, the Department filed a proposed settlement that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns.

"The original proposed transaction threatened to deprive consumers of the benefits of competition," said Christine A. Varney, Assistant Attorney General in charge of the Department's Antitrust Division. "Without the divestiture required by the Department, purchasers of aluminum sheathing in the United States likely would have faced higher prices and reduced quality and innovation."

According to the complaint, Sapa and Indalex are the only two manufacturers of aluminum sheathing in the United States. Indalex is currently involved in bankruptcy proceedings. Aluminum sheathing is used to make coaxial cables that are purchased by cable television companies in the United States and abroad for use in transmitting high frequency broadband signals to their subscribers. Aluminum sheathing is made to exacting specifications to provide protection for the components of the cables to prevent the loss of the transmission signal to subscribers.

Under the proposed settlement, in the event the companies are unable to sell either the Catawba, N.C. or Burlington, N.C. facility promptly to a viable purchaser acceptable to the

Department, they must sell Indalex's entire Burlington, N.C. extruded aluminum plant, which produces fabricated aluminum products, such as conduit and aluminum shapes, in addition to aluminum sheathing.

Sapa is a Swedish corporation with its principal place of business in Stockholm, Sweden. Sapa sells fabricated aluminum products throughout the world, including in the United States, where it is the largest aluminum extrusion fabricator. In 2008, its sales of the product were about $30.7 million. Sapa is owned by Orkla ASA, a Norwegian public limited company whose offices are located in Skøyen, Oslo in Norway. Orkla is a large, diversified international company with operations throughout the world.

Indalex is a Delaware corporation with its principal place of business in Lincolnshire, Ill. Indalex sells fabricated aluminum products in Canada and the United States. Indalex is the second largest aluminum extrusion fabricator in the United States. In 2008, its sales of the product were about $12 million.

As required by the Tunney Act, the proposed settlement, along with a competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Maribeth Petrizzi, 450 Fifth Street N.W., Suite 8700, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the court may enter the final judgment upon a finding that it serves the public interest.

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